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SENATE MEMORIAL 60

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Cynthia Nava

A MEMORIAL

REQUESTING THE INTERIM REVENUE STABILIZATION AND TAX POLICY
COMMITTEE TO STUDY CURRENT LAW RELATING TO THE TREATMENT OF
INCOME EARNED IN NEW MEXICO BY NONRESIDENT EMPLOYEES ALONG THE
BORDER AND RECOMMEND PROPOSED LEGISLATION FOR THE NEXT
LEGISLATIVE SESSION.

WHEREAS, it is an important state policy in New Mexico to
foster economic development along the international border with
Mexico; and

WHEREAS, current law allows nonresidents working in
manufacturing facilities in New Mexico that are located within
twenty miles of the Mexican border to allocate their New Mexico
incomes to their states of residence for income tax purposes;
and

WHEREAS, current law does not appear to be achieving its

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1 goal of attracting manufacturers to New Mexico; and

2 WHEREAS, current law does not include the types of
3 businesses that are likely to move to New Mexico; and

4 WHEREAS, federal law enforcement agencies have expressed
5 an interest in moving to the New Mexico border region, but are
6 not included in the current law; and

7 WHEREAS, one law enforcement agency that is interested in
8 moving to the New Mexico border region would bring three
9 thousand to five thousand new jobs to the state; and

10 WHEREAS, location decisions of industries have been
11 adversely affected by the perception that the New Mexico income
12 tax levied on their nonresident employees under the current law
13 could affect their ability to attract labor if the facilities
14 are located in New Mexico;

15 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
16 OF NEW MEXICO that the interim revenue stabilization and tax
17 policy committee be requested to study the current law relating
18 to the treatment of income earned in New Mexico by nonresident
19 employees along the border and determine whether the law should
20 be updated or simply replaced; and

21 BE IT FURTHER RESOLVED that the interim revenue
22 stabilization and tax policy committee be requested to
23 recommend legislation, as needed, for the 2009 legislative
24 session; and

25 BE IT FURTHER RESOLVED that copies of this memorial be

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transmitted to the New Mexico legislative council and the chair
of the interim revenue stabilization and tax policy committee.

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